

DOCUMENT OF INTERNATIONAL MONETARY FUND  
AND NOT FOR PUBLIC USE

**IMMEDIATE  
ATTENTION**

MASTER FILES

ROOM C-120

01

EBD/85/88

March 29, 1985

To: Members of the Executive Board  
From: The Acting Secretary  
Subject: Kenya - Extension of Approval of Exchange Restrictions

It is not proposed to bring the attached memorandum to the agenda of the Executive Board for discussion unless an Executive Director so requests by noon on Wednesday, April 3, 1985. In the absence of such a request, the draft decision will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

If Executive Directors have technical or factual questions relating to this paper, they should contact Mr. Quirk, ext. 8520.

Att: (1)

Other Distribution:  
Department Heads

INTERNATIONAL MONETARY FUND

Kenya--Extension of Approval of Exchange Restrictions

Prepared by the African Department and the Exchange  
and Trade Relations Department

(In consultation with the Legal Department)

Approved by A.D. Ouattara and W.A. Beveridge

March 28, 1985

In concluding the 1984 Article IV Consultation and Review Under Stand-by Arrangement with Kenya, the Executive Board granted approval for the maintenance by Kenya of the restrictions on payments and transfers for current international transactions, subject to approval under Article VIII, Section 2, arising from limitations on foreign exchange for certain imports and for dividend and rental income remittances. Approval was granted for the period until March 31, 1985, or the next Article IV consultation with Kenya, whichever was the earlier (Decision No. 7701-(84/78), adopted May 16, 1984).

A staff team is scheduled to visit Nairobi in May 1985 to conduct discussions for the 1985 Article IV consultation with Kenya and for the review provided for under the stand-by arrangement approved on January 9, 1985 (EBS/84/261, Supplement 2, 1/10/85). The staff report on these discussions is expected to be placed on the agenda of the Executive Board for discussion in the third quarter of 1985. In the meantime, in the circumstances of Kenya the staff recommends that the Executive Board grant an extension of approval of the abovementioned exchange restrictions until October 31, 1985, or the completion of the 1985 Article IV consultation with Kenya, whichever is the earlier.

The following decision is proposed for adoption by the Executive Board:

The approval of Kenya's exchange restrictions arising from limitations on foreign exchange made available for certain imports, and for dividend and rental income remittances under Decision No. 7701(84/78), adopted May 16, 1984, is extended until October 31, 1985, or the completion of the 1985 Article IV consultation with Kenya, whichever is the earlier.